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PP RUEHAG RUEHBI RUEHCI RUEHLH RUEHPW RUEHROV

DE RUEHAA #1137 2411219

ZNY CCCCC ZZH

P 281219Z AUG 08

FM AMEMBASSY ASHGABAT

TO RUEHC/SECSTATE WASHDC PRIORITY 1436

INFO RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE PRIORITY

RUCNCIS/CIS COLLECTIVE PRIORITY

RUCNMEM/EU MEMBER STATES COLLECTIVE PRIORITY

RUEHAK/AMEMBASSY ANKARA PRIORITY 4217

RUEHBJ/AMEMBASSY BEIJING PRIORITY 2029

RUEHKO/AMEMBASSY TOKYO PRIORITY 1894

RUEHIT/AMCONSUL ISTANBUL PRIORITY 2465

RUCPDOC/DEPT OF COMMERCE WASHDC PRIORITY

RHMFISS/CDR USCENTCOM MACDILL AFB FL PRIORITY

RHEBAAA/DEPT OF ENERGY WASHDC PRIORITY

RUEHVEN/USMISSION USOSCE PRIORITY 2825

RUEAIIA/CIA WASHDC PRIORITY

RHEFDIA/DIA WASHDC PRIORITY

RHEHNSC/NSC WASHDC PRIORITY

RUEKJCS/SECDEF WASHDC PRIORITY

RUEKJCS/Joint STAFF WASHDC PRIORITY

C O N F I D E N T I A L ASHGABAT 001137

SIPDIS

STATE FOR SCA/CEN; EEB

E.O. 12958: DECL: 08/27/2018

TAGS: PGOV PREL EPET EINV TX

SUBJECT: MARATHON PATIENTLY KEEPING LINES OF COMMUNICATION
OPEN WITH TURKMEN ENERGY OFFICIALS

REF: A. ASHGABAT 0741

1B. ASHGABAT 1131

Classified By: Charge Sylvia Reed Curran for reasons 1.4 (b) and (d).

11. (C) Marathon Oil Company Vice President Declan O'Byrne and several of his colleagues on August 27 provided Charge with an update on their negotiations with the government. They had given a presentation to a core group of Turkmen oil and gas experts the day before on the joint project definitional study for a specific onshore field and refinery project that they proposed some months ago (Ref. A). The company representatives were planning to reconvene with the same group on August 28 in the hopes of getting some feedback on the plan. After the August 26 meeting, government officials requested that Marathon send one or two representatives to the September 9-10 Turkmenistan-Azerbaijan oil and gas conference in Baku. The officials indicated that the Marathon representatives are being invited by the Turkmen side. Marathon will likely attend.

12. (C) O'Byrne said that Marathon now has a local representative in Ashgabat, and is optimistic that an office can be opened here as well before the end of the year. Senior Marathon officials continue to perceive that Turkmen government officials are actively mulling over the question of allowing foreign oil and gas companies to work onshore. With little certainty regarding when or how the company will move to the next step in the negotiating process, representatives were convinced that sponsoring and delivering a presentation at the November 2008 TIOGE conference will provide another opportunity to get the company's name and its expertise in front of senior oil and gas officials.

13. (C) COMMENT: Marathon representatives are doing whatever they can to simultaneously educate their Turkmen interlocutors on the technical details of their proposal while also promoting it. They seem to be optimistic that the government will soon drop its opposition to onshore work for foreign energy companies. In fact, embassy has been hearing from a growing number of companies, most recently Chevron (septel) that the government has expressed a willingness to start negotiations for foreign work onshore. Even with the

unexpected August 27 shake-up of Turkmenistan's hydrocarbon leadership (Ref. B), we expect that Marathon, too, will be invited to bid onshore soon. END COMMENT.

CURRAN